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REVENUE & DISASTER MANAGEMENT DEPARTMENT
RESOLUTION

The 13th November, 2015

Government lands for industrial purpose are leased out by Revenue & D.M. Department to IDCO under the provisions of Odisha Government Land Settlement Act, 1962 and Odisha Government Land Settlement Rules, 1983. Similarly, on requisition of IDCO, Private land is acquired by Revenue & Disaster Management Department and subsequently transferred to IDCO for setting up of industries.

2. Both Government Land and acquired private lands have been transferred to IDCO through separate agreements executed between Government of Odisha through Collector and the IDCO. Government Land is transferred to IDCO on lease basis at concessional IPR rates for 99 years. In the past, IDCO was granting NOC/ permission to the lessees or allottees for creation of mortgage/ security for both the categories of allotted lands for the purpose of construction of building, purchase of machinery and raw materials etc.

3. Government of Odisha in IPR 2001 expressed its desire to create a 'Land Bank' of an appropriate extent in districts/areas having industrial potential. The IPR-2007 reiterated the concept of allotment of land to industrial units and infrastructure projects at concessional rates. The IPR 2015 has further strengthened to create a conducive environment for sustainable industrial growth and creation of Land Bank is an important milestone in facilitating this.

4. To attract investments in industrial projects and to ensure timely take up of the industries Government of Odisha have decided to identify suitable patches of land both Government and Private, in areas having industrial potential and future requirements to keep it under one basket with ready to use status, called 'Land Bank'.

5. In view of above, formulation of a uniform policy in accordance with the relevant provisions of OGLS Act and Rules and with the IPR, 2015, the mode of transfer of the Government Land and acquired private land in favour of IDCO for creation of Land Bank and Issue of NOC/ Permission by IDCO in favour of the project proponents for creation of mortgage over leased out land for establishment of Industry was under active consideration of Government for some time past.

6. The State Government, after careful consideration, have been pleased to decide that the mode of transfer of Government Land and acquired private land in favour of IDCO for creation of Land Bank and Issue of NOC/ Permission by IDCO in favour of the project proponents for creation of mortgage over leased out land for establishment of Industry with the following principles:—

- I. IDCO shall continue to hold the Government Land, allotted to it on long term lease basis. Government in Revenue & Disaster Management Department shall lease out Government Land through Collectors to OIIDC for the purpose of creation of Land Bank. The land rate shall be as per the IPR rate as applicable from time to time.
- II. Lands allotted for Land Bank shall be of two categories
 - Category A— Land for immediate requirement for industrial Infrastructure Development, which is required to be leased out to IDCO immediately; and
 - Category B— Land to be reserved at the District level with Collector in terms of provision of OGLS Act in Section 3(i) (a) for subsequent allotment to IDCO or industrial units as would be necessary.
- III. Lands under **Category-A Land Bank** shall be leased out by Collector to IDCO on requisition as per the existing procedure under OGLS Rules at prevailing IPR rates for already selected industries, identified industrial clusters. Industrial estates and industrial parks etc., subject to following conditions:
 - (a) Before filing requisition for any industry, IDCO shall assess the actual requirement of land for the industry keeping in view the land use plan, optimum utilisation of space including vertical use and scarcity of land through an Expert Committee/ Agency and share the same with the Collector and Revenue & Disaster Management Department.

- (b) The land shall be allotted to IDCO on long term basis with a moratorium on payment of premium for five years, or till the land or any part thereof, is sub-leased by IDCO to the industries, whichever is earlier.
- (c) From the sixth year, the premium for the land not sub-leased shall be payable in five equal annual instalments.
- (d) Advance possession of the land identified for the purpose of Land Bank Scheme will be given to IDCO as per the rule 11-A of Odisha Government Land Settlement Amendment Rules, 1983. On getting advance possession of land, IDCO shall competent to develop the same and make provisional allotment of land or any portion thereof in favour of individual industries/ allottees. The period of moratorium, if any shall be effective from the date of advance possession.
- (e) IDCO will be responsible for watch and ward of the **Category–A Land Bank**.

IV. Suitable patches of land identified, for which immediate project priority has not been finalised shall be reserved in the Land Bank under section 3(i)(a) of the OGLS Act, 1962 and shall be treated as **Category–B Land Bank**. IDCO will request the Collector under intimation to Revenue & Disaster Management Department to reserve the suitable Government Land for industrial purpose as per the section 3(i)(a) of OGLS Act, 1962, as per the following procedure:—

- (a) A District Level Committee headed by Collector with following members shall review and recommend for reservation of land for land Bank purposes:—

District Forest Officer	...	Member
Concerned Tahasildar	...	Member
General Manager, DIC	...	Member
Sub-Collector	...	Member Convenor

The committee will also assess the requirement for other developmental projects of Government like medical and health institutions, educational institutions, linear projects etc. and recommend for reservation.

- (b) Collector, along with the case record on reservation proceeding u/s 3(i)(a) shall recommend for approval of Government in Revenue & Disaster Management Department.
- (c) As and when the land will be required by IDCO for development of infrastructure to be created for industries or for setting up an industry,

necessary requisition will be filed by IDCO with Collector and the land reserved under Category-B shall be brought to Category- A by Collector for sanction of lease in favour of IDCO as per terms and conditions approved by Revenue & Disaster Management Department.

- V. Government, as the original lessor, shall have the right to resume the land, if the leasehold land is not used for the purpose for which it was leased out or left vacant for more than 5 years and it is required for another public purpose.
- VI. Private land coming in between the Government patch will also be acquired to make a contiguous & sizeable patch of Land Bank. Private land will be acquired / purchased by IDCO through private negotiations as per provisions in the existing Acts & Rules.
- vii. As per the existing practice, for acquired private land where IDCO has paid the compensation under law, such acquired private land would continue to be transferred to IDCO through execution of deed of agreement as specified by R&DM Department letter No. 26678, dated the 9th July, 2013 and No. 32061, dated the 21st August, 2013.
- VIII. As per the provisions of IPR 2015, IDCO will be developing private Industrial Estate/ Industrial Park and also setting up sector specific industrial clusters by following the SPV route. In such cases, the private developers/SPV will be leased out land by IDCO as per the provisions of OIIDC Act. However, in such cases, subsequent sub-lease of land i.e. allotment of land on lease by the Developer to the entrepreneurs will be required. IDCO may be authorised to permit the Developer for such subsequent leases as per the principles decided by Government and such authorization would be reflected in the lease deed between Government and DCO.
- IX. IDCO will put in place suitable regulations under OIIDC Act relating to allotment of land to the industries from Land Bank in a fair and transparent manner.
- X. Government in Revenue & Disaster Management Department reserves the right to cancel the reservation of any land under **Category- B Land Bank** and can lease/ alienate the same for any Government project or any other public purpose of more immediate and important in nature.

7. Issue of NOC/ Permission by IDCO in favour of the project proponents (Sub-lessees and subsequent sub-lessee) for creation of mortgage over leased out land for establishment of industry with the following conditions:—

- (i) IDCO may be allowed to mortgage its leased land in favour of any scheduled bank or a financial institution duly notified by RBI or set up under a Law for execution of its own projects.
- (ii) IDCO may be allowed to permit its lessees/sub-lessees, subject to the conditions of original lease, to mortgage the sub-leased land for availing financial assistance for setting up or running the project for which the land has been leased, to any scheduled bank or a statutory financial institution.
- (iii) For the leases/sub-leases to be executed in future, appropriate clauses as at (i) and/or, as the case may (ii) above shall be incorporated in the lease deeds.
- (iv) All NOCs/Permissions granted for mortgage shall be subject to condition that in the event of foreclosure of mortgage and taking over of assets by the mortgage bank or other financial institution, the land so taken shall be used only for the purpose for which it was originally leased/sub-leased or for similar purpose permissible under the Industrial policy Resolution. Further, the transferee in whose favour the land is so transferred shall be required to pay the transfer fee as decided by Government along with such incidental/ administrative charges. On fulfilment of the above conditions, the IDCO may allot the land for the balance period of sub-lease to the transferee, on execution of a lease deed.

ORDER

Ordered that the resolution be published in an Extraordinary issue of the *Odisha Gazette* and copies thereof forwarded to all Departments of Government/ all Heads of Department of Government/ Board of Revenue, Odisha, Cuttack/ all RDCs/ all Collectors for information.

By Order of the Governor

Dr. MONA SHARMA
Principal Secretary to Government